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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re	:
	:
SEARS HOLDINGS CORPORATION, <i>et al.</i> ,	:
	:
	:
Debtors.	:
-----X	

Chapter 11
Case No. 18-23538 (RDD)
(Jointly Administered)

**DECLARATION OF TRAVIS STROUD IN SUPPORT OF REVISED CURE
OBJECTION TO NOTICE OF ASSUMPTION AND ASSIGNMENT OF ADDITIONAL
DESIGNATABLE LEASES PURSUANT TO 11 U.S.C. § 365(b)(1)**

I, Travis Stroud, do state under penalty of perjury that:

1. I am a Manager of Greenhorn Ventures LLC, an Idaho limited liability company (“Owner-Landlord”). I am over the age of 18 and am competent to testify of my own personal knowledge as stated below.

2. Owner-Landlord operates in Idaho and owns the real property and improvements located at 2258 Addison Avenue East, Twin Falls, ID 83303 (“Property”), which Property is currently leased to and occupied by Kmart Corporation (“Debtor-Tenant”) and used to operate a Kmart retail store [Store No. 7006]. The Property was purchased by Owner-Landlord on November 9, 2018.

3. Attached as Exhibits A-1 and A-2 are true and correct copies of the Amended and Restated Lease dated September 1, 1989 (“Lease”) and the Amended and Restated Memorandum
DECLARATION OF TRAVIS STROUD IN SUPPORT OF REVISED CURE OBJECTION TO NOTICE OF
ASSUMPTION AND ASSIGNMENT OF ADDITIONAL DESIGNATABLE LEASES PURSUANT TO 11 U.S.C.
§ 365(b)(1)

of Lease recorded in the real property records of Twin Falls County, Idaho on January 28, 1993 for and with respect to the Property.

4. Attached as Exhibit B is a true and correct copy of a Claim of Lien recorded by Kloepfer Inc. in Twin Falls County, Idaho against the Property on December 10, 2018. I had no knowledge of the Claim of Lien until a copy was received by Owner-Landlord via certified mail in December 2018 after Owner-Landlord purchased the Property on November 9, 2018. I am unaware of any other individual associated with Owner-Landlord who had knowledge of the Mechanics Lien prior to the purchase of the Property.

5. Attached as Exhibit C are a true and correct copy of a demand letter dated February 6, 2019 and followed-up with the transcript of a voice message dated February 25, 2019 from lien claimant's attorney.

6. Attached as Exhibits D-1 and D-2 are true and correct copies of the ALTA survey (dated September 17, 2018) of the Property and an enlarged excerpt therefrom detailing the encroachment of the "Expansion" of the Kmart building located on the Property onto the adjoining landowner's property.

7. Regarding the encroachment of the "Expansion" onto the adjoining property, the encroachment was discovered in mid-September 2018 during the due diligence process prior to Owner-Landlord's purchase of the Property. Based upon my investigation, it appears that the encroachment was caused by Kmart and its construction of the "Expansion" as provided in the Lease. Owner-Landlord was unable to find any ongoing dispute or hostility surrounding the encroachment in prior years, as I believe it was unknown until the ALTA survey of the Property was completed. I have spoken to the adjoining landowner, including in December 2018 and

most recently in late February 2019. The adjoining landowner has retained counsel and wants the encroachment cured and remedied due to the changes in ownership and the uncertainty of Kmart's continued operation in the future. At this time, I have prepared an estimate detailed in the attached Exhibit F for the costs to remedy the encroachment caused by Kmart. Attached as Exhibit E is a true and correct copy of a demand letter from an attorney for the adjoining landowner requesting that the encroachment be resolved.

8. Attached as Exhibit F is a true and correct copy of Greenhorn Venture LLC's Proof of Claim and its attached Claim Calculation filed with Prime Clerk on April 8, 2019. The Proof of Claim sets forth my calculated amounts of defaults under the Lease of: \$152,690 for the Claim of Lien caused by the Debtor and costs associated therewith; and \$212,000 for the liability of the encroachment caused by the Debtor.

Pursuant to 28 U.S.C. §1746, I declare, certify, verify, or state under penalty of perjury that the foregoing is true and correct.

Dated: May 1, 2019
Meridian, Idaho



Travis Stroud